WALGREENS ON THE STRIP · Las Vegas, NV · Acquired: May 2022

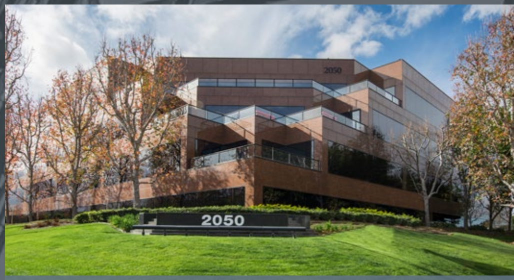
KINGSBARN®

THE BENEFITS OF DST INVESTING

CITYWEST COMMONS · Las Vegas, NV · Acquired: July 2022

DAVITA DIALYSIS · Plano, TX · Acquired: May 2019

FLEET FARM, WAUKEE · Waukee, IA · Acquired: March 2022



GRAMERCY PLAZA · Torrance, CA · Acquired: June 2021

KB PALM TERRACE, DST
Palm Terrace
Lake Forest, CA

FOOTHILL CORPORATE I, DST
Foothill Corporate Centre
Foothill Ranch, CA

KB GREECE DIALYSIS, DST
Frenius Medical Care
Greece, NY

DELAWARE STATUTORY TRUST

What is a DST?

» A legal trust, typically incorporated in Delaware, formed for a business purpose.

» The DST holds the real property and offers property-related securities for investment.

» DSTs allow accredited investors to own fractional interests in large, institutional-quality properties, not as limited partners, but as individual owners within a Trust.

» Investments in DSTs can be considered replacement properties for investors doing a 1031 exchange or wishing to diversify their real estate holdings.

» Each owner receives his or her proportionate percentage share of the cash flow and tax-advantage through depreciation.

» DST properties are most typically managed by professional third-party property and asset managers.

Who qualifies to invest in a DST? ... Accredited Investors

Kingsbarn DSTs are only available to accredited investors.
An accredited investor is...

» An individual who has a net worth, or joint net worth with his or her spouse, excluding their primary residence, but including home furnishings and personal automobiles of more than $1,000,000;

or

» An individual who has income in excess of $200,000 or joint income with his or her spouse in excess of $300,000, in each of the two (2) most recent years and has a reasonable expectation of reaching the same income level this year.

THE BENEFITS OF DST INVESTING

01

Freedom From Management Responsibilities

Our DSTs are managed by professional, third-party firms. For investors transitioning from actively managing properties to passive ownership, our ownership structure alleviates the burden of day-to-day management and replaces it with the freedom of time for travel and leisure. Ownership distributions from cash flow are paid monthly. Investors receive monthly operating reports and a year-end tax package directly from the management firm.

02

Ease of Financing (Debt Replacement in a 1031 Exchange)

The first mortgage for the DST property is obtained by the Sponsor and is recorded on the property prior to the investors taking ownership of the DST. DST investors are allocated their portion of the debt based on their pro rata share of ownership interests. The DST eliminates the need for investors to obtain individual financing on their own, as the DST is the sole borrower. Many DST investors appreciate having "in-place" financing that is set and secured with established fixed rates and terms.

No Personal Liability

The debt financing for each property is non-recourse to the DST investors. The Sponsor is the guarantor of all recourse obligations under the loan agreement. DST investors have no liability to their personal assets due to the bankruptcy-remote provisions of the DST. These provisions provide that any potential creditors of the Trust, including the lender, are prohibited from reaching any of the DST investors' individual or other assets. Additionally, because an LLC is not required to hold the DST interests, investors do not have to incur annual state filings and the fees associated therewith.

03

Low Minimums

Because a DST Private Placement Offering is allowed by the IRS to have up to 499 investors, the minimum investment amounts are typically much lower than if an investor were to individually purchase a solely-owned property. Most of our DST investments have a minimum equity investment requirement of just $100,000, which makes it easy for DST investors to diversify their portfolio.

04

05

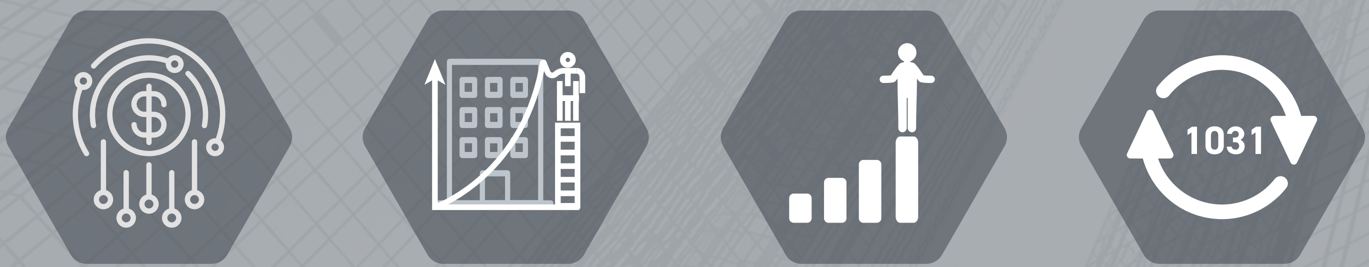
Higher-Value Properties

A DST is a "pooled-equity" investment that allows investors to collectively purchase a property of higher value by aggregating their equity together. More combined equity means more buying power, and with that comes the opportunity to purchase properties that might otherwise be out of a single investor's reach. These higher-valued properties may also be more attractive and better suited to an investor's individual preferences.

06

1031 Exchange Protection

The 45-day "Identification" or "ID" period is a very short window for most 1031 exchange investors to find and nominate quality 1031 exchange replacement properties. Because DST investments are already acquired and ready for an investor's exchange, the closing process into the DST can take as little as three business days. For those investors who are ready to exchange into the DST upon their close of escrow, this expedited closing process greatly reduces the risk of missing the IRS exchange deadlines (45-day ID period and 180-day total exchange period). For those investors who are nearing the end of their 45-day ID period and have not yet found an investment property to their liking, the DST can offer an immediate and simplified solution. For this reason, DSTs also make great "back-up properties"... in other words, using a DST as one of your nominations in case of a problem with a sole-property nomination.



07

Diversification Strategy

Financial advisors utilize diversification as a strategy to reduce investment risk. DST investing can provide the same opportunity to real estate investors due to the low minimum investment requirements. This allows investors to easily make multiple, smaller investments rather than purchasing a single, solely-owned property. It can be a daunting task for individual investors to make multiple property purchases on their own while meeting all the timing requirements under Section 1031 of the Internal Revenue Code.

08

Enjoy All the Tax Benefits of Real Estate Ownership

DST Investors have direct ownership in the real estate through a Trust Agreement with the Trust. The benefits of direct ownership in the real estate, such as mortgage interest deductions and depreciation, flow through to the individual investors on a pro rata basis. Investors can, therefore, reduce their individual tax liability on the distributions they receive from their DST interests.

09

Defer Capital Gains Taxes Indefinitely

Investing in DST properties, unlike a 721 Exchange (UPREIT), allows investors to continue to exchange properties over and over again until the investor's death. Upon the death of the investor, under current tax laws, the heir(s) receive a "step up" in basis, thereby avoiding capital gains taxes on the original exchange, as well as all subsequent property exchanges.

10

Pre-vetted Properties

Investors wishing to perform a 1031 exchange for tax purposes have a short window of only 45 days to identify three potential exchange properties. It can be difficult for individual investors to perform thorough investigations on their own, let alone within the ID timeframes allowed under 1031 regulations. The implications of "going down the road" — investigating a property during the ID period — only to ultimately uncover things about the property you didn't know or didn't like, can make the exchange process potentially precarious. With a DST property, the purchasing process commences with an abundance of information at your fingertips. The Sponsor provides financial information about the DST property(ies) which typically includes leases, appraisals, property condition reports, and financial projections. Having access to information early in the process allows you to make investment decisions without undue pressure.

No Add-On Costs

All transaction costs are included in the total DST offering price. Costs for legal, financing, title, escrow, appraisals, third-party reports, commissions, loan reserves, and closing costs are part of the total DST offering price.

11

Great for Estate Planning

As investors begin to think about bequeathing investments to their heirs, real estate investments can be tricky, especially if the heirs are not experienced in owning and managing commercial real estate. We all want the transition to be as easy for our heirs as possible. DST investing eliminates the opportunity for heirs to argue over what to do with inherited investment property. Heirs may receive distributions on a pro rata basis and, upon the sale of the DST investment, each heir may individually choose what to do with his or her inherited portion of any proceeds. For example, one heir can continue to exchange property interests, while another may sell and receive cash proceeds.

12

KINGSBARN®

800.242.1000 ▪ KINGSBARN.com